

No. RW/NHIII/P/5/83

*Dated the 18th May, 1983*

Subject : Scrutiny of estimates pertaining to National Highways and other Centrally Sponsored Works

In the Expenditure Finance Committee meeting held on 1st March, 1983, it was observed that there were wide variations in the scope and cost of the works between the original and revised estimates. In view of this it was felt that there was need to improve the system of estimation and scrutiny, so that these were carried out in a proper and thorough manner.

2. Several circulars and guidelines have been issued in the past covering various aspects of preparation of projects and estimates. These are reiterated as follows to avoid frequent revision of the estimates :

- (i) Proper survey and investigations should be carried out before the detailed estimates are prepared so that the initial assessment of cost is more realistic. The urgent need for proper investigations and data backing for formulating the project proposals was brought out in this Ministry's circular letter No. NHIII/P/31/77 dated 31st May, 1978 (For road and bridge projects separately) wherein the relevant circulars and IRC Codes to be used were quoted (copies enclosed for ready reference). If necessary, separate estimates for survey and investigations for collecting the data for major projects may be prepared and got sanctioned in advance.
- (ii) The estimates for land acquisition should be sanctioned separately. Before the estimates for construction works are sanctioned it should be ensured that the land, where required, is actually available.
- (iii) The cost of the project should be up-dated at the time of according financial sanction and all escalations during the time gap between the date of preparation of the detailed estimate and the date of actual sanction may be taken into account.
- (iv) It is quite necessary that the works are completed within the realistic time frame which shall be carefully assessed and stipulated in the execution programme at the time of sanction of the project. To ensure proper quality and timely completion of works, only capable and experienced contractors should be selected for award of the works. For bridge works costing Rs 50.00 lakhs and above, the instructions for pre-qualifications of the tenderers have already been issued to State C. Es under Ministry's letter No. NHVI-50 (3)/83 dated 31st March '83 and these should be followed.